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## **City tees up \$337 million in stormwater and sewer improvements to unlock growth, satisfy consent decree**

*Chattanooga is working to assemble multiple sources of funding to implement hundreds of millions of dollars in needed stormwater and sewer infrastructure improvements as part of agreements with EPA and TDEC*

**Chattanooga, Tenn. (Monday, Feb. 28)** — Work is underway to assemble multiple sources of funding to make much-needed stormwater and sewer infrastructure investments that will allow Chattanooga to grow and thrive, address overflows, and satisfy the terms of the city's consent decree.

The city has multiple ongoing projects that, when complete, will mitigate overflows of Chattanooga's sanitary sewer system into the Tennessee River. In addition to the environmental benefits, these improvements will allow Chattanooga to continue to welcome new residents while protecting the Scenic City's critical outdoor resources for future generations to enjoy.

The projects — which include stormwater storage, upgrades to Chattanooga's wastewater plant, and the replacement of old equipment — are vital in helping the city meet the requirements of the consent decree which Chattanooga entered into with the Tennessee Department of Environment and Conservation and the EPA some ten years ago.

What is a consent decree? It is simply [an agreement](#) between the federal government and local government meant to correct a violation of federal law to avoid costly litigation. In this case, Chattanooga's old and inadequate sewer system, which combined both sewage and the city's often torrential rainfall into one combined system, was repeatedly overflowing into the Tennessee River, violating the federal Clean Water Act by contaminating the Tennessee River.

The needed repairs to our local sewer system were massive in scope and cost, many times the size of the City's entire annual budget, so an agreement was reached between local and federal governments to spread the project over the course of twenty years. Chattanooga is roughly halfway through the project as of today.

Under the new funding plan, the city will move forward with a competitive application process that may award up to \$186 million in extremely low-interest loans to finance several large projects related to wastewater infrastructure. Chattanooga is one of a select number of cities invited by the EPA to apply for these funds, available through the Water Infrastructure Financing Innovation Act (WIFIA),

thanks to the city's demonstrated commitment to proactively improving public health and protecting access to clean water.

Simultaneously, the city will also tap into a combination of other funding sources, including State Revolving Loan Funds and cash from its enterprise sewer fund, to fuel the remaining \$165 million in improvements.

"Chattanooga's precious outdoor resources are its greatest competitive advantage, and innovative financing solutions like these are critical as we work to preserve our environment for future generations to enjoy," said Chattanooga Mayor Tim Kelly. "These low-interest loans, which are available to us thanks to our commitment to clean water, will allow us to make much-needed improvements, while maintaining low rates for Chattanooga residents."

Specific projects funded by the plan include an oxygen plant replacement, a wet weather treatment upgrade, and a solids process optimization implementation at the Moccasin Bend Wastewater Treatment Plant, as well as a system-wide sanitary sewer overflow abatement program.

To learn more about the city's commitment to proactive and sustainable wastewater infrastructure improvements, please visit [clearchattanooga.com](http://clearchattanooga.com). Clear Chattanooga includes major upgrades and revisions to portions of the wastewater system, including pipe rehabilitation, pump station improvements, upgrades to Moccasin Bend Wastewater Treatment Plant, and comprehensive operational audits.

For more information on the WIFIA low-interest loan program, please see this [fact sheet](#).

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## CHATTANOOGA WINS AGAIN

02.08.22

On October 26, 2021, the City of Chattanooga's Waste Resources Division (WRD) received communication from the Environmental Protection Agency (EPA) informing the City they were approved to apply for a low interest loan of up to \$186,000,000 from the Water Infrastructure Financing Innovation Act (WIFIA).

### WHAT IS WIFIA?

The WIFIA program was established in 2014 by the EPA as a low-cost solution to fund long-term, large water infrastructure investments with a focus on compliance and emerging technologies.

This loan will be used for the financing of several large projects related to the Consent Decree and capacity expansion of the Moccasin Bend Wastewater Treatment Plant (MBWWTP).

### HOW IS THIS A WIN?

This funding provides the most economical solution for required infrastructure improvements as part of the Consent Decree program.

This funding is part of the City's financial and Capital Improvement Plan for the sewer system, which has been in planning since the start of the Consent Decree in 2012.

The funding helps support Chattanooga's designation as a city committed to protecting public health and access to clean water for the community, as shown by our selection for this highly sought-after financing.

### WHAT MAKES THIS LOAN SO SPECIAL?

Many cities across the country applied for WIFIA loans. Only cities who were able to prove their proactive commitment to positively impacting public health and protecting water were chosen to continue in the process.

This loan allows the City to continue to be good stewards of the local environment and the rates you pay for wastewater treatment.

The loan supports the following projects within the Clear Chattanooga Program, including:

- **Environmental and Economic Infrastructure Improvement (e2i2)** – This project involves the construction of three equalization stations in strategic locations near connections with the Hamilton County Water and Wastewater Treatment Authority. This infrastructure will increase capacity in the regional system during heavy rain events, eliminate sanitary sewer overflows in those areas, and support Consent Decree goals.
- **Thermal Hydrolysis Process** is a process for the separation and removal of biosolids at the MBWWTP. This process upgrade is necessary for continued compliance with EPA regulations, and provides sustainable capacity for the increasing volume of wastewater at the MBWWTP.
- **Wet Weather Treatment Upgrades** will improve processes and treatment of wet weather flows that occur at the MBWWTP during heavy rain events. These upgrades will support capacity expansion and Consent Decree goals.
- **Oxygen Plant Improvements** will allow the MBWWTP to continue reliable treatment plant operations. The created oxygen is necessary for proper wastewater treatment. These improvements will provide the most economical option for operation and maintenance of the Oxygen Plant.

### SO WHAT HAPPENS NEXT?

- 01** The Chattanooga City Council will discuss the loan application deposit of \$100,000 at the February 8th Council Parks and Public Works Committee meeting. The resolution will be on the February 15th Council agenda for approval at the 6:00 pm meeting.
- 02** February 28, 2022 is the anticipated submittal date of the WIFIA loan application.
- 03** The City will continue planning projects and milestones for the completion of necessary infrastructure improvements to comply with regulations and expansion needs.

## The 3R Approach



RESTORE



REPAIR



REPLACE

Clear Chattanooga includes major upgrades and revisions to portions of the wastewater system including pipe rehabilitation, pump station improvements, upgrades to the Moccasin Bend Environmental Campus and comprehensive operational audits.

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